

**RULE 20.2**  
**NEW SOURCE REVIEW**  
**NON - MAJOR STATIONARY SOURCES**  
**(ADOPTED AND EFFECTIVE 5/17/94)**  
**(REV. ADOPTED AND EFFECTIVE 12/17/97)**

**Table of Contents**

| <u>SECTION TITLE</u>   | <u>PAGE NO.</u> |
|--|-----------------|
| (a) APPLICABILITY .....  | 1               |
| (b) EXEMPTIONS .....   | 1               |
| (c) DEFINITIONS .....  | 1               |
| (d) STANDARDS .....  | 2               |
| (1) Best Available Control Technology (BACT).....                | 2               |
| (i) New or Modified Emission Units .....                         | 2               |
| (ii) Relocated Emission Units .....                              | 2               |
| (iii) Replacement Emission Units .....                           | 2               |
| (iv) Emergency Equipment Emission Units .....                    | 2               |
| (2) Air Quality Impact Analysis (AQIA) .....                     | 2               |
| (i) AQIA for New or Modified Emission Units .....                | 2               |
| Table 20.2 - 1: AQIA Trigger Levels.....                         | 3               |
| (ii) AQIA for Replacement Emission Units .....                   | 3               |
| (iii) AQIA for Relocated Emission Units .....                    | 4               |
| (iv) AQIA Not Required for NOx or VOC Impacts on Ozone .....     | 4               |
| (v) AQIA Requirements for PM10 Impacts May be Waived.....        | 4               |
| (vi) AQIA may be Required .....                                  | 5               |
| (3) Prevention of Significant Deterioration (PSD).....           | 5               |
| (i) Federal Land Manager and Federal EPA Notification.....       | 5               |
| (ii) ARB, SCAQMD and Imperial County APCD Notification.....      | 6               |
| (4) Public Notice and Comment .....                              | 6               |
| (i) Public Comment Period.....                                   | 6               |
| (ii) Applicant Response .....                                    | 6               |
| (iii) Publication of Notice.....                                 | 6               |
| (iv) Information to be Made Available for Public Inspection..... | 7               |

## Table of Contents

| <u>SECTION TITLE</u>   | <u>PAGE NO.</u> |
|--|-----------------|
| (5) Emission Offsets .....   | 7               |
| (i) Offset Requirements for VOC and NO <sub>x</sub> Emission Increases - New or<br>Modified Emission Units .....                   | 7               |
| Table 20.2 - 2: VOC and NO <sub>x</sub> Offset Ratio - Federal Serious Ozone<br>Non-Attainment Classification.....                 | 7               |
| (ii) Offset Requirements - Relocated and Replacement Emission Units.....   | 8               |
| (iii) Offset Requirements - Essential Public Services.....   | 8               |
| (iv) Offset Requirements - Air Contaminant Emission Control Projects<br>Installed Pursuant to District Rules and Regulations ..... | 8               |
| (v) Interpollutant Offset Ratios.....  | 9               |
| Table 20.2 - 3: Interpollutant Offset Ratio .....  | 9               |
| (6) Emission Offset Requirements: Use of District Bank Emission Reduction Credits  | 9               |

**NOTE:** The following listed sections and subsections will not be submitted to the federal Environmental Protection Agency (EPA) for inclusion in the San Diego State Implementation Plan (SIP):

Section (b), Subsections (d)(1), (d)(2)(v), (d)(5) and (d)(6).

Subsections (d)(2)(i), (d)(2)(ii), (d)(2)(iii), (d)(2)(iv) and (d)(2)(vi) will be submitted to EPA for inclusion in the SIP only with respect to national ambient air quality standards.

**RULE 20.2. NEW SOURCE REVIEW - NON-MAJOR STATIONARY SOURCES (Adopted & Effective: 5/17/94; Rev. Effective 12/17/97)**

**(a) APPLICABILITY**

This rule applies to any new or modified stationary source, to any new or modified emission unit and to any relocated emission unit being moved from a stationary source provided that after completion of the project, the stationary source is not a major stationary source.

**(b) EXEMPTIONS**

The exemptions contained in Rule 20.1, Section (b) apply to this rule. In addition, for purposes of this rule, the following exemptions shall apply.

(1) Emission units which are to be temporarily relocated to another stationary source shall be exempt from the provisions of Subsection (d)(1)(ii), provided that:

- (i) The emission unit is not being modified,
- (ii) There is no increase in the emission unit's potential to emit,
- (iii) The unit is not located for more than 180 days at the stationary source where it is moved to, and
- (iv) The emission unit is not located at more than two stationary sources over any 365-day period.

(2) Emission units which are intended to be permanently relocated to another stationary source shall be exempt from the provisions of Subsection (d)(1)(ii), provided that:

- (i) There is no increase in the emission unit's potential to emit,
- (ii) The relocation occurs within 10 miles of the previous stationary source, and
- (iii) The relocated emission unit commences operating at the stationary source it was relocated to within one year of the emission unit ceasing operations at its previous stationary source.

(3) Emission increases resulting from an air contaminant emission control project shall be exempt from the emission offset requirements of Subsections (d)(5) and (d)(6) of this rule to the extent that the project does not include an increase in the capacity of the emission unit being controlled. Emission increases that are associated with an increase in capacity of the emission unit being controlled shall be subject to the emission offset provisions of this rule, as applicable.

**(c) DEFINITIONS**

The definitions contained in Rule 20.1, Section (c) apply to this rule.

(d) **STANDARDS**

(1) **BEST AVAILABLE CONTROL TECHNOLOGY (BACT)**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit subject to this rule unless the applicant demonstrates that the following requirements will be satisfied:

(i) **New or Modified Emission Units**

Any new or modified emission unit which has any increase in its potential to emit particulate matter (PM<sub>10</sub>), oxides of nitrogen (NO<sub>x</sub>), volatile organic compounds (VOC) or oxides of sulfur (SO<sub>x</sub>) and which unit has a post-project potential to emit of 10 pounds per day or more of PM<sub>10</sub>, NO<sub>x</sub>, VOC, or SO<sub>x</sub> shall be equipped with Best Available Control Technology (BACT) for each such air contaminant.

(ii) **Relocated Emission Units**

Except as provided for in Subsections (b)(1) and (b)(2), any relocated emission unit with a post-project potential to emit of 10 pounds per day or more of PM<sub>10</sub>, NO<sub>x</sub>, VOC or SO<sub>x</sub> shall be equipped with BACT for each such air contaminant.

(iii) **Replacement Emission Units**

Any replacement emission unit with a post-project potential to emit of 10 pounds per day or more of PM<sub>10</sub>, NO<sub>x</sub>, VOC or SO<sub>x</sub> shall be equipped with BACT for each such air contaminant.

(iv) **Emergency Equipment Emission Units**

Any new or modified emergency equipment emission unit which has any increase in its potential to emit PM<sub>10</sub>, NO<sub>x</sub>, VOC or SO<sub>x</sub> and which unit has a post-project potential to emit of 10 pounds per day or more of PM<sub>10</sub>, NO<sub>x</sub>, VOC or SO<sub>x</sub> shall be equipped with BACT for each such air contaminant. BACT shall apply based on the unit's non-emergency operation emissions and excluding the unit's emissions while operating during emergency situations.

(2) **AIR QUALITY IMPACT ANALYSIS (AQIA)**

The Air Pollution Control Officer shall deny an Authority to Construct or modified Permit to Operate for any emission unit subject to this rule unless the following requirements are satisfied. Area fugitive emissions of PM<sub>10</sub> shall not be included in the demonstrations required below unless the Air Pollution Control Officer determines, on a case-by-case basis, that a project's area fugitive emissions of PM<sub>10</sub> must be evaluated in order to protect public health and welfare.

(i) **AQIA for New or Modified Emission Unit**

For each project which results in an emissions increase equal to or greater than any of the amounts listed in Table 20.2 - 1, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA that the project will not:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, nor

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), nor

(D) prevent or interfere with the attainment or maintenance of any state or national ambient air quality standard.

If a PM<sub>10</sub> AQIA is required, the AQIA shall include both directly emitted PM<sub>10</sub> and PM<sub>10</sub> which would be formed by precursor air contaminants prior to discharge to the atmosphere.

**TABLE 20.2 - 1**  
**AQIA Trigger Levels**

| <u>Air Contaminant</u>                 | <u>(lb/hr)</u> | <u>Emission Rate</u> |                  |
|--|----------------|----------------------|------------------|
|  |                | <u>(lb/day)</u>      | <u>(tons/yr)</u> |
| Particulate Matter (PM <sub>10</sub> ) | ---            | 100                  | 15               |
| Oxides of Nitrogen (NO <sub>x</sub> )  | 25             | 250                  | 40               |
| Oxides of Sulfur (SO <sub>x</sub> )    | 25             | 250                  | 40               |
| Carbon Monoxide (CO)                   | 100            | 550                  | 100              |
| Lead and Lead Compounds                | ---            | 3.2                  | 0.6              |

(ii) **AQIA for Replacement Emission Units**

For each replacement project which results in an emission increase equal to or greater than any of the amounts listed in Table 20.2-1, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA, that the replacement project will not:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, nor

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), nor

(D) prevent or interfere with the attainment or maintenance of any state or national ambient air quality standard.

If a PM<sub>10</sub> AQIA is required, the AQIA shall include both directly emitted PM<sub>10</sub> and PM<sub>10</sub> which would be formed by precursor air contaminants prior to discharge to the atmosphere.

(iii) **AQIA for Relocated Emission Units**

Prior to issuance of a permit allowing an emission unit or a project to be relocated from one stationary source to another, the applicant shall demonstrate to the satisfaction of the Air Pollution Control Officer through an AQIA, that operating the emission unit or project at the new location will not:

- (A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, nor
- (B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, nor
- (C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), nor
- (D) prevent or interfere with the attainment or maintenance of any state or national ambient air quality standard.

This demonstration is required for each air contaminant for which the project has a potential to emit equal to or greater than the amounts listed in Table 20.2-1. If a PM<sub>10</sub> AQIA is required, the AQIA shall include both directly emitted PM<sub>10</sub> and PM<sub>10</sub> which would be formed by precursor air contaminants prior to discharge to the atmosphere.

(iv) **AQIA Not Required for NO<sub>x</sub> or VOC Impacts on Ozone**

Notwithstanding the requirements of Subsections (d)(2)(i), (ii), or (iii) a demonstration shall not be required for determining the impacts from a project's NO<sub>x</sub> or VOC emissions on the state or national ambient air quality standard for ozone unless the Air Pollution Control Officer determines that adequate procedures exist for determining the impacts of NO<sub>x</sub> or VOC emissions from point sources on ozone ambient air quality standards and that such procedures are acceptable to the California Air Resources Board (ARB) or the federal Environmental Protection Agency (EPA).

(v) **AQIA Requirements for PM<sub>10</sub> Impacts May be Waived**

Notwithstanding the requirements of Subsection (d)(2)(i), (ii), or (iii), the Air Pollution Control Officer may waive the AQIA requirements for PM<sub>10</sub> impacts on the state ambient air quality standards, as follows:

- (A) If the project will result in a maximum PM<sub>10</sub> air quality impact of less than 5 µg/m<sup>3</sup> (24-hour average basis) and 3 µg/m<sup>3</sup> (annual geometric mean basis), all of the project's PM<sub>10</sub> emission increases, including area fugitive emissions of PM<sub>10</sub>, must be offset at a ratio of 1.5 to 1.
- (B) If the project will result in a maximum PM<sub>10</sub> air quality impact equal to or greater than 5 µg/m<sup>3</sup> but less than 10 µg/m<sup>3</sup> (24-hour average basis) or equal to or greater than 3 µg/m<sup>3</sup> but less than 6 µg/m<sup>3</sup> (annual geometric mean basis):
  - (1) the project must be equipped with BACT for PM<sub>10</sub> emissions without consideration for cost-effectiveness,

(2) all of the project's PM<sub>10</sub> emission increases, including area fugitive emissions of PM<sub>10</sub>, must be offset at an overall ratio of 1.5 to 1,

(3) sufficient emission offsets must be provided within the project's impact area to offset all of the project's PM<sub>10</sub> emission increases, including area fugitive emissions of PM<sub>10</sub>, at a ratio of at least 1 to 1,

(4) emission offsets in an amount and location which are demonstrated to have a modeled off-stationary source air quality impact at least equal to the project's PM<sub>10</sub> ambient air quality impact minus 5 µg/m<sup>3</sup> (24-hour average basis) and 3 µg/m<sup>3</sup> (annual geometric mean basis) must be provided, and

(5) all reasonable efforts to reduce the air quality impacts of the project are made.

(C) In no case shall the project result in a maximum PM<sub>10</sub> air quality impact equal to or greater than 10 µg/m<sup>3</sup> (24-hour average basis) or equal to or greater than 6 µg/m<sup>3</sup> (annual geometric mean basis).

(vi) **AQIA May be Required**

Notwithstanding any other provision of this rule, the Air Pollution Control Officer may require an AQIA, for any new or modified stationary source, any emission unit or any project if the stationary source, emission unit or project may be expected to:

(A) cause a violation of a state or national ambient air quality standard anywhere that does not already exceed such standard, or

(B) cause additional violations of a national ambient air quality standard anywhere the standard is already being exceeded, or

(C) cause additional violations of a state ambient air quality standard anywhere the standard is already being exceeded, except as provided for in Subsection (d)(2)(v), or

(D) prevent or interfere with the attainment or maintenance of any state or national ambient air quality standard.

(3) **PREVENTION OF SIGNIFICANT DETERIORATION (PSD)**

The Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any project which is expected to have a significant impact on any Class I area, as determined by an AQIA required pursuant to Subsection (d)(2), unless the following requirements are satisfied. The Air Pollution Control Officer shall:

(i) **Federal Land Manager and Federal EPA Notification**

Notify the Federal Land Manager and the federal EPA. This notification shall include all of the information specified by Subsection (d)(4)(iv), the location of the project, the project's approximate distance from all Class I areas within 100 km of San Diego County (as specified in Table 20.1 - 3) and the results of the AQIA, and

(ii) **ARB, SCAQMD and Imperial County APCD Notification**

Notify and submit to the California ARB, the South Coast Air Quality Management District and the Imperial County Air Pollution Control District the information specified in Subsection (d)(4)(iv).

(4) **PUBLIC NOTICE AND COMMENT**

The Air Pollution Control Officer shall not issue an Authority to Construct or modified Permit to Operate for any project subject to the AQIA or notification requirements of Subsection (d)(2) or (d)(3), nor for any project which results in an emissions increase of VOCs equal to or greater than 250 pounds per day or 40 tons per year, unless the following requirements are satisfied.

(i) **Public Comment Period**

At least 40 days before taking final action on an application subject to the requirements of Subsection (d)(2) or (d)(3), the Air Pollution Control Officer shall:

(A) provide the public with notice of the proposed action in the manner prescribed by Subsection (d)(4)(iii), and

(B) make available for public inspection all information relevant to the proposed action as specified in Subsection (d)(4)(iv), and

(C) provide at least a 30-day period within which comments may be submitted.

The Air Pollution Control Officer shall consider all comments submitted.

(ii) **Applicant Response**

Except as agreed to by the applicant and the Air Pollution Control Officer, no later than 10 days after close of the public comment period the applicant may submit written responses to any comment received during the public comment period. Responses submitted by the applicant shall be considered prior to the Air Pollution Control Officer taking final action. The applicant's responses shall be made available for public review.

(iii) **Publication of Notice**

The Air Pollution Control Officer shall publish a notice of the proposed action in at least one newspaper of general circulation in San Diego County. The notice shall:

(A) describe the proposed action, and

(B) identify the location(s) where the public may inspect the information relevant to the proposed action, and

(C) indicate the date by which all comments must be received by the District for consideration prior to taking final action.



(iv) **Information to be Made Available for Public Inspection**

The relevant information to be made available for public inspection shall include but not be limited to:

(A) the application and all analyses and documentation used to support the proposed action, the District's evaluation of the project, a copy of the draft Authority to Construct or Permit to Operate and any information submitted by the applicant not previously labeled Trade Secret pursuant to Regulation IX, and

(B) the proposed District action on the application, including the preliminary decision to approve, conditionally approve or deny the application and the reasons therefor.

(5) **EMISSION OFFSETS**

The Air Pollution Control Officer shall not issue an Authority to Construct for any project subject to this rule unless emission offsets are provided on a pollutant specific basis for emission increases of non-attainment air contaminants and their precursors. Emission offsets shall be provided for emission increases to the extent by which the stationary source's post-project aggregate potential to emit is greater than 15 tons per year, as specified below. Interpollutant offsets may be used, provided such offsets meet the requirements of Subsection (d)(5)(v).

(i) **Offset Requirements for VOC and NO<sub>x</sub> Emission Increases - New or Modified Emission Units**

(A) **Offset Requirements for VOC Emission Increases**

The VOC emission increase from a new or modified emission unit located at a stationary source with a VOC post-project aggregate potential to emit equal to or greater than 15 tons per year, shall be offset at the offset ratio specified in Table 20.2 - 2.

(B) **Offset Requirements for NO<sub>x</sub> Emission Increases**

The NO<sub>x</sub> emission increase from a new or modified emission unit located at a stationary source with an NO<sub>x</sub> post-project aggregate potential to emit equal to or greater than 15 tons per year, shall be offset at the offset ratio specified in Table 20.2 - 2.

**TABLE 20.2 - 2**  
**VOC and NO<sub>x</sub> Offset Ratio**  
**Federal Serious Ozone Non-Attainment Classification**

| Stationary Source's<br>Post-Project Aggregate<br>VOC or NO <sub>x</sub><br><u>Potential to Emit</u> | <u>Offset Ratio</u>   |            |
|---|-----------------------|------------|
|   | <u>NO<sub>x</sub></u> | <u>VOC</u> |
| Potential < 15 tons/year  | None                  | None       |
| Potential ≤ 15 tons/year  | 1 : 1                 | 1 : 1      |
| Potential ≥ 50 tons/year  | Rule 20.3 applies     |            |

**(ii) Offset Requirements - Relocated and Replacement Emission Units**

For each pollutant for which a stationary source has a post-project aggregate potential to emit equal to or greater than 15 tons per year, the VOC and NOx emission increase from a relocated or replacement emission unit shall be offset as specified in Subsection (d)(5)(i).

**(iii) Offset Requirements - Essential Public Services**

(A) If emission offsets are required pursuant to Subsections (d)(5)(i) or (ii) for emission increases from new or modified emission units located at essential public services, the Air Pollution Control Officer may allow emission offsets to be provided at an emission offset ratio lower than that specified, for that portion of the emission increase for which the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that:

(1) the emission unit constitutes an essential public service, and

(2) on a pollutant specific basis, the emission offsets cannot be provided as specified in Subsections (d)(5)(i) or (ii) because it can be demonstrated that the cost in dollars per pound of obtaining emission offsets at that ratio exceeds five times the cost of control measures required to meet stationary source emission standards contained in these rules and regulations.

(B) If the Air Pollution Control Officer finds, pursuant to this Subsection (d)(5)(iii), that the applicant for an essential public service is unable to obtain sufficient emission offsets despite all reasonable efforts, the Air Pollution Control Officer may do any of the following:

(1) provide the remaining required offsets from a District Bank created pursuant to Rule 26.4,

(2) demonstrate that the permit program is achieving no net increases in emissions from sources which emit 15 tons per year or more, or

(3) notify the Air Pollution Control Board that the essential public service project cannot be approved because of the applicant's inability to obtain emission offsets in an amount necessary to satisfy the offset ratio requirements of this rule. The Air Pollution Control Officer can make specific recommendations for revising the State Implementation Plan (SIP) and measures which the Air Pollution Control Board could adopt in order to ensure that there will be a no net increase in permitted emissions.

**(iv) Offset Requirements - Air Contaminant Emission Control Projects Installed Pursuant to District Rules and Regulations**

If emission offsets are required for emission increases from an emission unit resulting from the installation of an air contaminant emission control project to comply with a requirement of these rules and regulations, but not including Rules 20.1, 20.2, 20.3, 20.4 or 20.5, Rules 26.0 through Rule 26.10, inclusive, or Rule 1200, the Air Pollution Control Officer may elect to provide a portion or all of the emission offsets through the District Bank, consistent with the provisions of Subsection (d)(6) of this

rule. In order for the emission unit to be eligible to receive emission reduction credits (ERCs) from the District Bank, the Air Pollution Control Officer must determine that the following are satisfied:

(A) the air contaminant emission control project satisfies the applicable requirements of these rules and regulations, and

(B) the amount of the ERCs to be obtained from the District Bank do not exceed 10 tons per year on a pollutant specific basis.

(v) **Interpollutant Offset Ratios**

The Air Pollution Control Officer may allow the use of interpollutant emission offsets at the ratios specified in Table 20.2 - 3 to satisfy the offset requirements of this Subsection (d)(5), provided the applicant demonstrates to the satisfaction of the Air Pollution Control Officer that the AQIA requirements of Subsection (d)(2), as applicable, are satisfied for the emission increase. The interpollutant ratios shall be multiplied by the emission offset ratios required by Subsection (d)(5) to determine the final offset ratio.

**TABLE 20.2 - 3**  
**Interpollutant Offset Ratio**

| Emission Increase                     | Emission Decrease | Interpollutant Ratio |
|---------------------------------------|-------------------|----------------------|
| Oxides of Nitrogen (NO <sub>x</sub> ) | NO <sub>x</sub>   | 1.0                  |
|                                       | VOC               | 2.0                  |
| Volatile Organic Compounds (VOC)      | VOC               | 1.0                  |
|                                       | NO <sub>x</sub>   | 1.0                  |

(6) **EMISSION OFFSET REQUIREMENTS: USE OF DISTRICT BANK EMISSION REDUCTION CREDITS (ERCs)**

The Air Pollution Control Officer may elect to provide emission offsets from a District developed and maintained District Bank provided that the following are satisfied:

(i) The District Bank has been established consistent with the provisions of Rule 26.0 et. seq.,

(ii) The District Bank contains sufficient ERCs to allow for the emissions to be fully offset, if necessary with a combination of emission reductions from the District Bank and emission reductions provided directly by the affected stationary source, and

(iii) Only banked ERCs in excess of those necessary to demonstrate compliance with the no net increase permit program provisions of the California Clean Air Act are utilized.

The use of District Bank ERCs shall be prioritized in the following order. In order to make this prioritization, the Air Pollution Control Officer shall determine, based on a review of the District's permit program for the previous calendar year, the amount of ERCs from the District Bank which are to be allocated for each category:

(iv) For use to demonstrate compliance with the no net increase permit program provisions of the California Clean Air Act,

(v) For use by essential public service projects, as defined in Rule 20.1 and as provided for in Subsection (d)(5)(iii) of this rule,

(vi) For use for air contaminant emission control projects as provided for in Subsection (d)(5)(iv) of this rule,

(vii) For use for air contaminant emission control projects as provided for in Subsection (d)(5) of Rule 20.3, and

(viii) For any other purpose approved by the Air Pollution Control Board and in conformity with state and federal laws and requirements.